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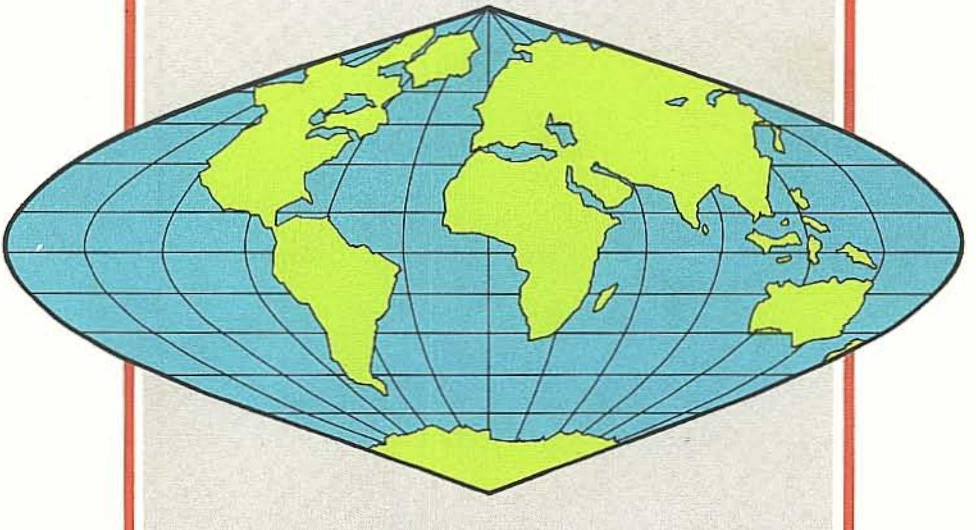

The Coca-Cola Company

The Coca-Cola Company

and Subsidiaries Annual Report for the Year 1975

As a contribution to the conservation of our natural resources and the protection of the ecology, the paper used in this report has been manufactured from 100% reclaimed waste paper.

Letter to Stockholders

March 3, 1976

Consolidated Net Sales in 1975 were $2,872,839,737, an increase of 13.9% over 1974. Consolidated Net Profit in 1975 was $239,304,933 or $4.00 per share compared with $195,972,336 or $3.28 per share in 1974, an increase of 22%. Sales and earnings reached all-time highs in 1975.

Unit sales were ahead of the previous year in virtually all parts of the world. Unit sales in Japan were down slightly for the full year but were ahead of last year's levels during the fourth quarter.

Volume trends were aided in 1975 by the steady decline of domestic syrup prices, which reflected declining sugar costs, and which resulted in lower wholesale and retail prices for the Company's products.

We anticipate that in 1976 syrup prices, as well as wholesale and retail soft drink prices, should be generally lower than in 1975, resulting in continuing favorable gains in domestic volume. We expect Net Profit for the full year 1976 to be significantly ahead of 1975.

Proceedings continue in the complaints filed by the Federal Trade Commission in 1971 against The Coca-Cola Company and other soft drink companies attacking the validity of territorial provisions in the Bottlers' contracts. This matter was tried from May 5 to June 11, 1975, before an Administrative Law Judge, who, on October 3, 1975, issued a decision which would dismiss the complaint on the ground the agreements did not violate the antitrust law. The ruling has been appealed to the full Federal Trade Commission, and oral argument is scheduled for March 10, 1976. An action by Tomac, Inc. against The Coca-Cola Company is pending in the Los Angeles Federal Court raising the same issues as in the FTC case. Trial is scheduled to start March 23. There has been no significant change in the status of H. R. 6684 sponsored by the National Soft Drink Association which, if passed, would recognize the validity of the exclusive territorial provisions in Bottlers' contracts.

On March 3, 1976, the Board of Directors increased the quarterly dividend rate from 57½¢ a share to 66¼¢ a share. This rate is equivalent to a full-year dividend of $2.65 a share, a 15.2% increase over the aggregate 1975 dividend of $2.30. This is the fourteenth consecutive year the dividend rate has been increased.

A separate mailing to stockholders will contain the proxy, proxy statement and notice of annual meeting of stockholders to be held on Monday, May 3, 1976, at 10:00 A.M., Wilmington time, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

For the Board of Directors

J. Paul Austin
Chairman

J. Lucian Smith
President

Board of Directors

William W. Allison
Atlanta, Ga.
Executive Administrator
Economic Opportunity Atlanta, Inc.

J. Paul Austin
Atlanta, Ga.
Chairman, Board of Directors, and
Chief Executive Officer
The Coca-Cola Company

C. H. Candler, Jr.
Atlanta, Ga.
Retired

Thomas H. Choate
New York, N.Y.
Director of Various Corporations

J. C. Cleaver
Milwaukee, Wis.
Retired. Former Chairman
Board of Directors, Aqua-Chem, Inc.

William A. Coolidge
Cambridge, Mass.
Retired

George S. Craft
Atlanta, Ga.
Retired

Charles W. Duncan, Jr.
Houston, Texas
Chairman, Board of Directors
Rotan Mosle Financial Corporation

F. B. Eisenberg
Atlanta, Ga.
Executive Vice President and Treasurer
The Coca-Cola Company

James A. Farley
New York, N.Y.
Honorary Chairman, Board of Directors
The Coca-Cola Export Corporation

C. M. Halle
Atlanta, Ga.
President, The Coca-Cola Export Corporation
and Senior Vice President, The Coca-Cola Company

E. Garland Herndon, Jr., M.D.
Atlanta, Ga.
Vice President for Health Affairs
Emory University

Lindsey Hopkins
Miami, Fla.
Chairman, Board of Directors, Security Trust Company

John T. Lupton
Chattanooga, Tenn.
Chairman, Board of Directors, and President
Great Western Coca-Cola Bottling Company
President, Phoenix Coca-Cola Bottling Company
President, Denver Coca-Cola Bottling Company

James D. Robinson, III
New York, N.Y.
President
American Express Company

John A. Sibley
Atlanta, Ga.
Honorary Chairman, Board of Directors
Trust Company of Georgia

J. Lucian Smith
Atlanta, Ga.
President, The Coca-Cola Company

John R. Talley
Atlanta, Ga.
Chairman, Board of Directors
The Coca-Cola Export Corporation

D. A. Turner
Columbus, Ga.
Chairman, Boards of Directors
Columbus Bank & Trust Co., CB&T Bancshares, Inc.
and W. C. Bradley Co.

George W. Woodruff
Atlanta, Ga.
Retired

R. W. Woodruff
Atlanta, Ga.
Chairman, Finance Committee
The Coca-Cola Company

The Coca-Cola Company
Officers

J. Paul Austin .... *Chairman of Board*
J. Lucian Smith .... *President*

Executive Vice Presidents

Charles W. Adams—*Administration*
F. B. Eisenberg—*Finance*
Roberto C. Goizueta—*Technical*
A. E. Killeen—*Marketing*

Senior Vice Presidents

C. M. Halle—*Subsidiary President*
Donald R. Keough—*Division President*
J. J. McGourty—*Controller*
C. A. Shillinglaw—*Staff*

Vice Presidents

Ira C. Herbert—*Division President*
B. M. Middlebrooks—*Division Chairman*

Richard F. Atwood	Paul L. Dillingham	H. W. Schwarz
C. E. Boyd, Jr.	Richard D. Ford	J. H. Smit
Robert J. Broadwater	J. W. Jones	Albert H. Swett
Leo E. Conroy	Robert A. Keller	H. E. Teasley
Ovid R. Davis	J. William Pruett, Jr.	R. V. Waltemeyer

Albert H. Swett .... *General Counsel*
F. B. Eisenberg .... *Treasurer*
J. J. McGourty .... *Controller*
Fred S. Perrin .... *Secretary*

Description of Business of The Coca-Cola Company

The Coca-Cola Company is engaged principally in one line of business, the manufacture and sale of beverages, including soft drink syrups and concentrates, coffee, tea, citrus juices, ades and drinks. The total sales and profits before income taxes for such products constituted more than 95 per cent of the Company's total sales and profits in 1975 and each of the three preceding fiscal years.

For over 85 years, the Company has engaged in the manufacture and sale of syrup and concentrate for Coca-Cola. While there are many other soft drinks sold in the United States and around the world, the worldwide volume sales of Coca-Cola are greater than any other soft drink.

Until 1954, Coca-Cola was available in 6½-ounce bottles and in glasses at soda fountains. Today, Coca-Cola is available in both returnable bottles and convenience packages in a wide variety of sizes. In June, 1975, a recyclable plastic bottle for Coca-Cola was introduced in Providence and Woonsocket, R.I. and Fall River, Mass. Additional markets for the new package will be opened in 1976.

Beginning in the mid 1950's and continuing today, new soft drink products have been developed and introduced by the Company. The Fanta brand soft drinks are available in flavors including orange, root beer, grape, strawberry, lemon-lime, orange-pineapple, cream soda and wild cherry.

Other soft drink products include TAB, Fresca, lemon-lime flavored Sprite and Mr. PiBB.

During 1974, the Company introduced sugar-free Sprite and the TAB brand of sugar-free flavors including root beer, ginger ale, black cherry, orange, lemon-lime and strawberry.

In the 1960's with the acquisition of the Minute Maid Corporation and Duncan Foods Company, The Coca-Cola Company added to its beverage line Minute Maid and Snow Crop frozen concentrated citrus juices, the Hi-C brand of fruit drinks, Maryland Club and Butternut coffee and tea, Admiration, Thomas J. Webb and Huggins Gourmet Mocha Java coffee.

In addition, the Company sells instant coffee, tea and flavored instant drinks to regional coffee companies and food store chains who purchase the products packaged for sale under their own labels.

Aqua-Chem, Inc., a wholly-owned subsidiary, was acquired in 1970. Aqua-Chem designs and manufactures water pollution control equipment, seawater desalters and packaged steam and hot water generators.

The Thomas Companies were acquired by The Coca-Cola Company through merger which was consummated on August 21, 1975, and is the last in a series of parent bottler acquisitions which began over 50 years ago.

The Coca-Cola Company and Subsidiaries

Quarterly Financial Data for Years 1975 and 1974

	1975	1974
Net Sales:		
First Quarter	$ 650,570,284	$ 494,570,067
Second Quarter	798,290,427	661,199,182
Third Quarter	786,348,600	704,526,438
Fourth Quarter	637,630,426	661,853,932
Full Year	$2,872,839,737	$2,522,149,619
Net Profit:		
First Quarter	$ 46,816,920	$ 40,615,304
Second Quarter	72,945,692	62,921,680
Third Quarter	70,698,930	56,759,256
Fourth Quarter	48,843,391	35,676,096
Full Year	$ 239,304,933	$ 195,972,336
Net Profit Per Share:		
First Quarter	$ .78	$ .68
Second Quarter	1.22	1.05
Third Quarter	1.18	.95
Fourth Quarter	.82	.60
Full Year	$ 4.00	$ 3.28

The Coca-Cola Company

Cash Dividends

Cash dividends were paid on common shares in 1975 and 1974 as follows:

	1975	1974
First Quarter	$ .575	$ .5075
Second Quarter	.575	.5075
Third Quarter	.575	.5325
Fourth Quarter	.575	.5325
Full Year	$ 2.30	$ 2.08

The Coca-Cola Company and Subsidiaries

	1971
Net sales	$1,728,827,572
Cost of goods sold	927,334,862
Taxes on income	159,744,000
Net profit	167,814,911
Average number of shares of common stock outstanding during year	59,597,428
Net profit per common share based upon the above shares	$2.82
Cash dividends paid per common share	$1.58

Note A:
Change to LIFO method of inventory valuation. In 1974, the Company adopted the last-in, first-out (LIFO) accounting method for certain major classes of inventories as explained in Note 2 in the accompanying financial statements. This accounting change had the effect of reducing net profit for 1974 by $31,213,188 ($.52 a share).

Management's Discussion and Analysis

Net sales in 1975 increased by $350,690,118 or 13.9% over net sales for 1974, principally as a result of higher average selling prices and increased unit volume for major products. Domestic syrup prices trended lower throughout 1975, reflecting lower sugar costs, while they had moved higher throughout 1974, reflecting higher sugar costs. Domestic volume was down in the first quarter of 1975 when sugar costs and syrup prices were at the highest levels. As sugar prices declined through the year, lower wholesale and retail prices resulted and consumer demand increased. Domestic unit sales in the second quarter were slightly higher than in the second quarter of 1974 and unit sales increased significantly in the third and fourth quarters as compared to the same quarters of the prior year. Overseas, unit sales of soft drinks increased in each quarter of 1975 as compared with the same quarter of 1974. For the year as a whole, strong volume gains were recorded in most of Europe, Latin America and Africa, while Canadian volume was up slightly and Japanese volume was lower. Overseas volume during the fourth quarter was considerably ahead of 1974 fourth quarter levels in every major market, including Japan.

Consolidated Summary of Operations

YEAR ENDED DECEMBER 31,

1972	1973	1974	1975
$1,876,192,397	$2,144,988,601	$2,522,149,619	**$2,872,839,737**
995,340,910	1,147,939,444	1,541,687,847	**1,710,376,417**
172,644,000	187,057,000	168,681,000	**220,911,000**
190,157,427	214,981,215	195,972,336(A)	**239,304,933**
59,699,046	59,776,262	59,834,982	**59,889,486**
$3.19	$3.60	$3.28(A)	**$4.00**
$1.64	$1.80	$2.08	**$2.30**

of the Summary of Operations

Cost of goods sold increased by $168,688,570 or 10.9% over cost of goods sold for 1974, principally as a result of higher average raw material costs and increased unit volume.

In 1975, media advertising expenditures increased by $15,505,771 or 12.0% over the comparable amount for 1974 and other promotional expenses also increased substantially. Advertising and promotional expenses represented approximately the same percentage of net sales in 1975 as in 1974.

Depreciation and amortization increased by $7,038,356 or 11.8% in 1975 as compared to the prior year. The increase related principally to an increase in depreciable assets.

Provision for taxes on income in 1975 increased by $52,230,000 or 31.0% over provision for taxes on income in 1974. Approximately $44,000,000 of the increase is attributable to an increase in profit before income taxes and approximately $8,000,000 is attributable to an increase in the average effective tax rate.

Net sales in 1974 increased by $377,161,018 or 17.6% over net sales for 1973, while cost of goods sold increased by $393,748,403 or 34.3% over 1973 cost of goods sold. These increases resulted principally from the pass-through of higher raw material costs including sharply higher sugar costs which caused substantially higher wholesale and retail prices for many of the Company's principal products.

Net sales and cost of goods sold, however, were reduced in 1974 because of the sale of certain Company-owned canning plants in the United States and overseas. Net profit was not substantially affected by the disposal of these facilities because the Company continues to supply syrup or concentrate to independent bottlers who now operate their own canning facilities instead of obtaining canned products from Company-owned plants.

The accounting change in 1974 to the last-in, first-out (LIFO) inventory method for a substantial portion of the Company's inventories had the effect of materially reducing 1974 net profit from what would have been reported had the former method (average or first-in, first-out) been continued. The change to LIFO had the effect of reducing 1974 net profit by $31,213,188 ($.52 a share).

In 1974, media advertising expenses decreased 11% from unusually high levels of 1973. The reduction in media advertising expense in 1974 was almost entirely offset by increases in other promotional expenses.

The Coca-Cola Company
Stock Market Information

The principal market in which the securities of the Company are traded is the New York Stock Exchange, Inc. All securities are common stock, no par value. The high and low prices for each quarter for the past two years are as follows:

	1975		1974	
	High	Low	High	Low
First Quarter	$ 81.50	$ 53.25	$127.75	$109.50
Second Quarter	93.50	72.75	118.375	98.375
Third Quarter	92.00	69.625	109.00	48.00
Fourth Quarter	89.75	69.875	68.75	44.625

The Coca-Cola Company and Subsidiaries
Consolidated Statement of Profit and Loss

	YEAR ENDED DECEMBER 31,	
	1975	**1974**
Net sales	**$2,872,839,737**	$2,522,149,619
Cost of goods sold	**1,710,376,417**	1,541,687,847
GROSS PROFIT	**1,162,463,320**	980,461,772
Selling, administrative and general expenses	**709,892,445**	634,251,995
OPERATING PROFIT	**452,570,875**	346,209,777
Other income	**33,132,981**	32,868,835
	485,703,856	379,078,612
Less other deductions	**25,487,923**	14,425,276
PROFIT BEFORE TAXES ON INCOME	**460,215,933**	364,653,336
Provision for taxes on income	**220,911,000**	168,681,000
NET PROFIT	**$ 239,304,933**	$ 195,972,336
Net profit per share of common stock	**$ 4.00**	$ 3.28

Consolidated Statement of Earned Surplus

	YEAR ENDED DECEMBER 31,	
	1975	**1974**
Balance at January 1	**$ 995,164,062**	$ 821,997,955
Retroactive restatement of Reserve for Foreign Operations	**0**	101,655,814
Balance at January 1, as adjusted	**995,164,062**	923,653,769
Net profit for the year	**239,304,933**	195,972,336
	1,234,468,995	1,119,626,105
Dividends paid in cash (per share— 1975, $2.30; 1974, $2.08)	**137,752,082**	124,462,043
BALANCE AT DECEMBER 31	**$1,096,716,913**	$ 995,164,062

See Notes to Consolidated Financial Statements

The Coca-Cola Company and Subsidiaries

Assets

	DECEMBER 31, 1975	DECEMBER 31, 1974
CURRENT:		
Cash	$ **82,422,848**	$ 78,276,435
Marketable securities—1975, at market price (less than cost); 1974, at cost (market price, $158,293,148)	**303,519,712**	159,841,287
Trade accounts receivable (less allowance—1975, $5,214,750; 1974, $4,315,550)	**184,339,395**	220,933,446
Inventories	**304,910,393**	309,813,053
Prepaid expenses	**25,454,580**	28,383,778
TOTAL CURRENT ASSETS	**900,646,928**	797,247,999
MISCELLANEOUS INVESTMENTS AND OTHER ASSETS	**100,293,625**	104,724,743
PROPERTY, PLANT AND EQUIPMENT:		
Land and improvements	**68,743,346**	66,484,180
Buildings	**270,706,773**	250,672,625
Machinery and equipment	**569,991,958**	523,776,766
Containers	**129,020,046**	119,964,790
	1,038,462,123	960,898,361
Less allowance for depreciation	**425,371,977**	389,467,972
	613,090,146	571,430,389
FORMULAE, TRADE-MARKS, GOODWILL AND CONTRACT RIGHTS	**96,842,067**	62,925,152
	$1,710,872,766	$1,536,328,283

See Notes to Consolidated Financial Statements

Consolidated Balance Sheet

Liabilities

	DECEMBER 31, 1975	DECEMBER 31, 1974
CURRENT:		
Notes payable	**$ 21,909,567**	$ 47,717,434
Current maturities of long-term debt	**1,723,791**	2,112,604
Accounts payable and accrued accounts	**266,539,348**	228,399,946
Accrued taxes—including taxes on income	**149,777,010**	94,360,056
TOTAL CURRENT LIABILITIES	**439,949,716**	372,590,040
LONG-TERM DEBT	**9,021,605**	11,035,213
DEFERRED INCOME TAXES	**32,622,722**	29,475,526
CAPITAL STOCK AND SURPLUS:		
Common stock—no par value; authorized 70,000,000 shares; (issued 1975, 60,109,381 shares; 1974, 59,856,476 shares)	**60,474,767**	60,219,333
Capital surplus	**87,451,756**	68,197,709
Earned surplus	**1,096,716,913**	995,164,062
	1,244,643,436	1,123,581,104
Less treasury stock—at cost (1975, 200,979 shares; 1974, 7,300 shares)	**15,364,713**	353,600
	1,229,278,723	1,123,227,504
	$1,710,872,766	$1,536,328,283

See Notes to Consolidated Financial Statements

The Coca-Cola Company and Subsidiaries

Consolidated Statement of Changes in Financial Position

	DECEMBER 31, 1975	1974
SOURCE OF WORKING CAPITAL		
From operations:		
Net profit for year	$ 239,304,933	$ 195,972,336
Add charges not requiring outlay of working capital during the year:		
Provision for depreciation	65,893,007	58,856,099
Deferred income taxes	3,147,196	9,524,834
Other	21,037,057	13,085,250
TOTAL FROM OPERATIONS	329,382,193	277,438,519
Disposals of property, plant and equipment	12,462,236	39,270,284
Decrease in miscellaneous investments	4,431,118	0
Proceeds from exercise of stock options	4,023,261	3,701,106
Increase in long-term debt	0	2,781,447
Tax benefit from optioned shares sold	251,700	715,750
Other items, net	5,189,888	0
	355,740,396	323,907,106
APPLICATION OF WORKING CAPITAL		
Cash dividends	137,752,082	124,462,043
Additions to property, plant and equipment	139,928,972	146,681,011
Increase in miscellaneous investments	0	35,575,413
Decrease in long-term debt	2,013,608	0
Acquisition of Thomas Companies:		
Contract rights	35,000,000	0
Other	4,966,481	0
Other acquisitions—goodwill	40,000	6,895,191
	319,701,143	313,613,658
INCREASE IN WORKING CAPITAL	36,039,253	10,293,448
Working capital at beginning of year	424,657,959	414,364,511
WORKING CAPITAL AT END OF YEAR	$ 460,697,212	$ 424,657,959
INCREASE (DECREASE) IN WORKING CAPITAL, BY COMPONENTS		
Cash	$ 4,146,413	$ 4,614,415
Marketable securities	143,678,425	(71,954,448)
Trade accounts receivable	(36,594,051)	65,868,315
Inventories	(4,902,660)	62,297,152
Prepaid expenses	(2,929,198)	3,200,450
Notes payable	25,807,867	(33,601,242)
Current maturities of long-term debt	388,813	(211,235)
Accounts payable and accrued accounts	(38,139,402)	(32,815,145)
Accrued taxes—including taxes on income	(55,416,954)	12,895,186
INCREASE IN WORKING CAPITAL	$ 36,039,253	$ 10,293,448

See Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

1. Accounting Policies. The major accounting policies and practices followed by the Company and its subsidiaries are as follows:

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company accounts and transactions are eliminated in consolidation. The Company's investments in majority-owned subsidiaries and certain affiliated companies are stated at cost plus equity in the net profit or loss of these companies subsequent to date of acquisition, and the Company's equity in the net profit or loss of these companies is included in the consolidated statement of profit and loss.

Amounts with respect to consolidated foreign subsidiaries are translated in terms of United States dollars as follows: property accounts, investments in foreign securities, and formulae, trade-marks and goodwill are translated at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at year-end; income and expenses are translated at weighted average rates of exchange in effect during the year except as to depreciation which is translated on the same basis as the related property accounts. Exchange adjustments, including gain or loss on settled forward exchange contracts, are charged or credited to profit as incurred. The Company plans to adopt in 1976 the translation method specified in Statement No. 8 of the Financial Accounting Standards Board (FASB). If this method had been applied in 1975, the effect on the consolidated financial statements would not have been material.

Inventories are valued at the lower of cost or market. The last-in, first-out (LIFO) method of inventory valuation is used for sugar and other sweeteners used in domestic beverages, for certain major citrus concentrate products, and for substantially all inventories of domestic bottling subsidiaries and certain other domestic and foreign operations. All other inventories are valued on the average or first-in, first-out method.

Property, plant and equipment is stated at cost, less allowance for depreciation, except that foreign subsidiaries carry bottles and shells in service at amounts (less than cost) which, in general correspond with deposit prices obtained from customers. Approximately 78% of depreciation for 1975 and 75% for 1974 was determined by the straight-line method and the remainder by accelerated methods. A portion of the depreciation determined by the straight-line method for financial statement purposes is calculated on accelerated methods for income tax purposes. Deferred income taxes are provided to recognize timing differences in reporting depreciation for accounting and tax purposes. The investment tax credit, which is not material in amount, is accounted for by the flow-through method.

Formulae, trade-marks, goodwill and contract rights are stated on the basis of cost and if purchased subsequent to October 31, 1970, are being amortized over the estimated future periods to be benefited (not exceeding 40 years).

Information relating to leases is not presented as rental expense and future lease commitments are not material.

2. Inventories. In 1974, the Company changed the method of inventory valuation for sugar and other sweeteners used in domestic beverages and for substantially all inventories of domestic bottling subsidiaries and certain other domestic and foreign operations. The change was from the lower of cost (average or first-in, first-out method) or market to the lower of cost (last-in, first-out method) or market. The accounting change had the effect of reducing net profit for 1974 by $31,213,188 ($.52 a share). The excess of current costs over LIFO stated values amounted to approximately $22,000,000 and $67,000,000 at December 31, 1975 and December 31, 1974, respectively.

3. Reclassification of Reserve for Foreign Operations. The Company's reserve for foreign operations, established prior to 1969, did not meet the conditions of a loss contingency as defined by FASB Statement No. 5. Accordingly, the Company has adopted the provisions of Statement No. 5, as amended by Statement No. 11, and financial statements of prior years have been retroactively restated, resulting in an increase in earned surplus of $101,655,814. As there had not been any change in the reserve for foreign operations subsequent to 1968, the adoption of FASB No. 5 did not affect net profit for any years subsequent to 1968.

4. Foreign Operations. The Company's investments in consolidated subsidiaries outside the United States are shown below:

	December 31,	
	1975	1974
Current assets	$326,445,406	$311,196,178
Property, plant and equipment—net	261,975,395	243,323,748
Other assets	76,252,566	78,391,949
	664,673,367	632,911,875
Liabilities	260,607,855	260,124,679
Net assets	$404,065,512	$372,787,196

Net sales of foreign operations were 42% ot total net sales in 1975 and 41% in 1974; profits attributable to such business amounted to approximately 57% of total profits in 1975 and 63% in 1974. Exchange adjustments were not material in amount in either year.

Appropriate U.S. and foreign income taxes have been accrued on profits of subsidiary companies which are expected to be remitted to the Parent Company in the near future. Unremitted profits of foreign subsidiaries which are expected to be required for use in the foreign operations amounted to approximately $45,000,000 at December 31, 1975, exclusive of amounts which if remitted would result in little or no tax.

5. Acquisition of Thomas Companies. In 1975, the Company acquired Coca-Cola Bottling Co. (Thomas), Inc., Coca-Cola Bottling Works (Thomas), Inc. and Coca-Cola Bottling Works (3rd), Inc. in an exchange for cash and common stock of the Company. The principal assets of the Thomas Companies consisted of contract rights valued at $35,000,000 and 196,704 shares of common stock of The Coca-Cola Company. The acquisitions were accounted for as purchases and the cost of the contract rights is being amortized over the expected economic life of the contract rights. This acquisition does not significantly affect the operations of the Company.

6. Stock Options. Options were held by officers and employees of the Company and its subsidiaries to purchase shares of the Company's common stock at prices ranging principally from $38.50 to $146.13 per share in each of the years 1975 and 1974. Further information relating to the options is as follows:

	1975	1974
Options outstanding at January 1	539,087	311,921
Options granted during the year	145,037	284,750
Options exercised during the year	(56,226)	(53,238)
Options cancelled during the year	(174,248)	(4,346)
Options outstanding at December 31	453,650	539,087
Options exercisable at December 31	97,443	138,251
Shares available for option which may be granted	185,004	140,093

7. Pension Plans. The Company and its subsidiaries have various pension plans covering substantially all employees, including certain employees in foreign countries. Pension expense determined under various actuarial cost methods, principally aggregate level cost method, amounted to $17,117,180 in 1975 and $15,688,979 in 1974. In general, pension costs are funded when accrued. Actuarial evaluations indicate that the requirements of the Employee Retirement Income Security Act of 1974 will have an insignificant financial impact on the Company's pension costs.

8. Changes in Capital during 1974 and 1975 are as follows:

	Common Stock Issued		Capital
	Shares	Amount	Surplus
Balance January 1, 1974	59,803,238	$60,165,562	$63,834,624
Sale of stock to employees exercising stock options	53,238	53,771	3,647,335
Tax benefit from sale of option shares by employees	—	—	715,750
Balance December 31, 1974	59,856,476	60,219,333	68,197,709
Stock issued in acquisition of the Thomas Companies	196,679	198,646	14,921,052
Sale of stock to employees exercising stock options	56,226	56,788	3,966,473
Tax benefit from sale of option shares by employees	—	—	251,700
Other	—	—	114,822
Balance December 31, 1975	60,109,381	$60,474,767	$87,451,756

Accountants' Report

To the Board of Directors
The Coca-Cola Company
Wilmington, Delaware

We have examined the consolidated balance sheets of The Coca-Cola Company and subsidiaries as of December 31, 1975, and December 31, 1974, and the related consolidated statements of profit and loss, earned surplus and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1975, and December 31, 1974, and the consolidated results of their operations and changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the change, with which we concur, in the method of accounting for the Reserve for Foreign Operations as described in Note 3 to the financial statements.

Ernst & Ernst

Atlanta, Georgia
February 26, 1976

The Coca-Cola Company

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Atlanta, Georgia

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Dividend Disbursing Agent

Trust Company Bank
Corporate Trust Department
P.O. Drawer 4625
Atlanta, Georgia 30302

Transfer Agents/Registrars

Trust Company Bank
Corporate Trust Department
P.O. Drawer 4625
Atlanta, Georgia 30302

Morgan Guaranty Trust Company of New York
Stock Transfer Department
30 West Broadway
New York, New York 10015

The Coca-Cola Company